## REMARKS

The only issues outstanding in the Office Action mailed April 4, 2008, are the objections and rejections of the claims. Reconsideration of these issues, in view of the following discussion, is respectfully requested.

## Claim Objections

The claims have been revised for U.S. practice. The Examiner's helpful comments in this regard were appreciated. It is submitted that the objections should be withdrawn.

## Rejections Under 35 U.S. C. 102 and 103

Yamaguchi clearly discloses PDLC (pulmer dispersed liquid crystal) systems, in which the liquid crystals are located in discrete regions of the electro-optical modulation medium only. Such regions can be thought of like droplets or compartments separated by a polymer matrix. See, for example, figures 1A and 1B of the patent, and claim 1, column 27, line 67 to column 28, line 1, stating that the liquid crystal material is "partitioned into small sections." The reference is not seen to disclose polymer network materials, having a more or less continuous fluid material in the modulation medium. Note, for example, the present specification at page 5, first paragraph, indicating that, in polymer network systems in the invention, the liquid crystal is in a continuous phase so long as the characteristic structures are sufficiently small that the system is optically isotropic.

Inasmuch as Yamaguchi fails to suggest such an organization, and inasmuch as Yamaguchi is employed in all of the rejections, and the secondary references do nothing to remedy this deficiency, it is submitted that the references, singly or in combination, do not suggest the claims herein. Withdrawal of all of the rejections is therefore respectfully requested.

The claims of the application are submitted to be in condition for allowance. However, if the Examiner has any questions or comments, he or she is cordially invited to telephone the undersigned at the number below. The Commissioner is hereby authorized to charge any fees associated with this response or credit any overpayment to Deposit Account No. 13-3402.

Respectfully submitted,

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Attorney Docket No.: MERCK-3005

Date: August 4, 2008